



Rhode Island Department of Revenue

Division of Taxation

ADV 2020-15
UNEMPLOYMENT INSURANCE TAX

ADVISORY FOR TAX PROFESSIONALS
APRIL 15, 2020

Unemployment insurance information for employers amid coronavirus

Division provides FAQs on UI tax rates, UI tax and wage reports, and more

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today provides the following information for employers about Rhode Island unemployment insurance amid the coronavirus pandemic (COVID-19).

Topics covered in the following answers to frequently asked questions (FAQs) include unemployment insurance (UI) tax rates, UI tax and wage reports, and more.

Q: Will workers qualify for unemployment benefits if the coronavirus pandemic causes an employer to shut down or downsize operations?

Rhode Island unemployment benefits are available to individuals who are unemployed through no fault of their own. If an employer must shut down operations or needs to downsize operations due to the coronavirus pandemic, all employees who are affected are entitled to unemployment benefits.

Q: If my business was forced to shut down or reduce its workforce as a result of the coronavirus pandemic, will my employer tax rate be affected?

On April 9, 2020, Rhode Island Governor Gina M. Raimondo issued an executive order.¹ The executive order enables unemployment benefits to be charged to the State's balancing account, not to the employer's own UI account.

Ordinarily, if an employee is laid off and collects unemployment benefits, the costs associated with that are charged to the employer's UI account, which could result in higher UI taxes for that employer.

However, because of the executive order, the employer's UI account will not be charged for the costs associated with employees laid off because of the coronavirus pandemic. Instead, those

Through this Advisory, the Rhode Island Division of Taxation is providing the latest available information for employers about Rhode Island unemployment insurance taxes amid the coronavirus pandemic.

Because policies and procedures may need to be adjusted in response to rapidly changing events at the federal and state levels, the Division recommends that employers and their advisors check the [Division of Taxation's Employer Tax webpage](#) and the [Rhode Island Department of Labor's website](#) frequently for the most up-to-date information.

¹ [Executive Order 20-19](#), "Sixteenth Supplemental Emergency Declaration – Increasing Access to Unemployment Insurance".

costs will be charged to a separate account -- the UI program's balancing account. Therefore, those costs will, in effect, be borne by the State, not by that employer.

In other words, Governor Raimondo's executive order ensures that businesses that close because of the coronavirus pandemic will not see any immediate increase in their Rhode Island unemployment insurance tax because their employees have been laid off and are receiving unemployment benefits due to the pandemic.

Q: Is it possible that the UI tax rate schedule for 2021 will be adjusted as a result of the number of claims filed during the coronavirus pandemic?

Yes. Although the UI tax rate for a particular employer will not be affected by the number of employees laid off and collecting UI benefits as a result of the coronavirus pandemic, the overall UI tax rate schedule that applies to all employers could change for 2021.

The Rhode Island UI tax rate schedule, known as the "experience rate table" (Schedules A - I) under [Rhode Island General Laws § 28-43-8](#), is determined based on the amount available in Rhode Island's unemployment trust fund. It is anticipated that the significant amount of benefit claims, processed due to the coronavirus pandemic, will draw down the trust fund. However, the CARES Act will help lessen the impact on the fund. (The Rhode Island UI tax schedule for the 2021 calendar year has not been set yet.)

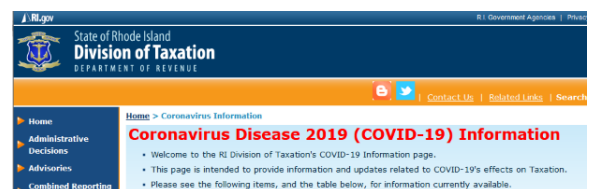
Q: What about unemployment benefits paid to employees of reimbursable accounts as a result of the coronavirus pandemic?

Most employers pay Rhode Island UI tax up front, each quarter. Some employers, known as reimbursable employers, typically do not pay UI tax up front. Instead, they typically pay back the Rhode Island UI fund on a dollar-for-dollar basis for UI benefits paid to former employees. (Reimbursable employers are typically governmental agencies, Indian tribes, and certain nonprofit organizations.)

The recently enacted federal CARES Act will reduce, by 50% through December 31, 2020, the amount by which reimbursable employers are required to reimburse states for benefits paid to their workers who claim unemployment insurance benefits.² In other words, for that period, reimbursable employers will have to pay only half of the cost they would normally be charged, not the full 100%.

Q: Will there be a filing extension for the first-quarter 2020 tax and wage reports filed by employers?

Rhode Island does not anticipate changing the due date of the first-quarter 2020 tax and wage reports ([Form TX-17](#)) that are currently due on or before April 30, 2020. Please check the Division of Taxation's special coronavirus webpage for any updates on changes to any given tax filing or tax payment deadline: <http://www.tax.ri.gov/COVID/>.



² The "Coronavirus Aid, Relief, and Economic Security Act", also known as the CARES Act, approved by Congress and signed into law by President Donald J. Trump on March 27, 2020. (See [H.R. 748 -- U.S. Public Law PL 116-136](#)).

Q: Will there be an extension for reimbursable employers paying benefit charges during the months associated with the first quarter of 2020?

It is anticipated that the CARES Act will provide flexibility for employers in making reimbursement payments that are related to the coronavirus pandemic.

Q: Will the Division consider waiving interest and penalty for employers during the first quarter of 2020 that are not able to submit their quarterly tax and wage reports timely?

As of now, there is no provision in the Rhode Island Employment and Security Act to allow for interest and penalty abatement. The matter is under consideration.

Q: Will there be an extension for employers that wish to make a voluntary contribution for 2020?

No. As the contributory employers' individual UI tax rates for 2020 are not affected due to the coronavirus pandemic, no extension is required.

Q: Do employers have the option to pay their quarterly tax and wage reports electronically?

Yes. Please use the following link: <https://www.ri.gov/taxation/tx17/>.

Q: Is unemployment coverage now expanded to include workers that were previously exempt, including, but not limited to, self-insured individuals, independent contractors, and freelance workers, due to the CARES Act?

Yes. The CARES Act provides additional coverage for individuals that were not previously covered under the Rhode Island Employment Security Act. The guidelines and provisions are currently being developed and will be administered by the Rhode Island Department of Labor and Training. For the latest information, please use the following link: <http://www.dlt.ri.gov/>.

Q: Is there an at-a-glance fact sheet available that provides a summary of information about unemployment topics for employees and employers amid the pandemic?

Yes. The Department of Labor and Training has a workplace fact sheet, in English and Spanish (see screenshot on this page). The fact sheet provides a summary of information for Rhode Island employees



Workplace Fact Sheet

who are out of work due to the coronavirus pandemic, and for Rhode Island employers who are affected by the pandemic. To view a copy, click [here](#).

Q: What if employees have questions related to unemployment insurance benefits, temporary disability benefits (TDI), or benefits under the temporary caregiver insurance program (TCI)?

UI, TDI, and TCI benefits are administered by the Department of Labor and training. For more information, see the agency's website: <http://www.dlt.ri.gov/>.

The Rhode Island Division of Taxation, part of the Rhode Island Department of Revenue, has normal operating hours from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <http://www.tax.ri.gov/contact>
